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Item 18(a) of the provisional agenda
Administrative, financial and institutional matters
Audited financial statements for the biennium 2012–2013

Report of the United Nations Board of Auditors

Note by the Executive Secretary

Addendum

Comments by the secretariat

Summary

This document should be read in conjunction with the report of the United Nations Board of Auditors (FCCC/SBI/2014/16). It has been prepared to provide comments from the secretariat on the audited report and to specify the initial actions taken to implement the recommendations of the Board. In the "Status of implementation" column of the two tables, "Implemented" indicates that no further action is required, while "Under implementation" indicates that the secretariat has started undertaking the recommended action.

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Table 1
Recommendations of the United Nations Board of Auditors for the biennium ended 31 December 2013

Recommendations of the United Nations Board of Auditors for the biennium ended 31 December 2013	*Comments by the secretariat*	*Status of implementation*
Recommendation 1, paragraph 13: The Board recommends that the UNFCCC expedite the settlement of the outstanding balance of the accounts	The secretariat agrees with the recommendation and will ensure that all account balances are settled in a timely manner once project activities are finished and the reporting requirements have been met	Under implementation
Recommendation 2, paragraph 18: The Board recommends that the UNFCCC strengthen the management and monitoring of the International Public Sector Accounting Standards (IPSAS) roll-out by putting in place a plan, with assigned responsibility, to recover lost time	The secretariat welcomes the recommendation and has intensified the implementation activities after the audit. The audit of the IPSAS opening balance audit conducted in August 2013 did not disclose any material issues. Therefore the implementation is considered to be fully on track for the presentation of the first IPSAS-compliant financial statements in early 2015	Implemented
Recommendation 3, paragraph 21: The Board reiterates the previous recommendation for UNFCCC to expedite write-off process for obsolete software	Recommendation has been implemented. Write-off has been approved by the Joint Local Property Survey Board	Implemented
Recommendation 4, paragraph 22: The Board recommends that UNFCCC enhance the assets management through completing the records of assets and expediting verifications and reconciliations of inventory records	Recommendation has been implemented. Reconciliation of information and communication technology equipment inventory has been completed	Implemented
Recommendation 6, paragraph 26: The Board recommends that UNFCCC link expected results and required resources closely and sets SMART targets for all indicators	This recommendation is under implementation. Indicators are being reviewed and updated as part of the preparation of the 2016–2017 UNFCCC workplan	Under implementation
Recommendation 7, paragraph 27: The Board recommends that UNFCCC ensure all recruitments are conducted in a transparency and fair manner, and the recruitment process are properly documented	The steps outlined in the standard operating procedures (SOP) have been followed since the approval of the SOP in November 2013	Implemented

Table 2

Recommendations of the United Nations Board of Auditors for the biennium ended 31 December 2011

Recommendations of the United Nations Board of Auditors for the biennium ended 31 December 2011	*Comments by the secretariat*	*Status of implementation*
Recommendation 1, paragraph 14: Expedite the process of the International Public Sector Accounting Standards (IPSAS) implementation	The secretariat welcomes the recommendation and has intensified the implementation activities after the audit. The audit of the IPSAS opening balance audit conducted in August 2013 did not disclose any material issues. Therefore the implementation is considered to be fully on track for the presentation of the first IPSAS-compliant financial statements in early 2015	Implemented
Recommendation 3, paragraph 22: Conduct the disposal of information and communication technology (ICT) equipment on a more frequent and regular basis to maximize the values obtained from its disposals	Recommendation has been implemented. Standard operating procedures (SOP) implemented to conduct ICT equipment disposal at least once a year	Implemented
Recommendation 4, paragraph 26: (a) Ensure new purchased software to be in align with its information technology strategy; (b) establish a mechanism to regularly identify and write-off the obsolete software to ensure the accuracy of its non-expendable property	Recommendation has been implemented. SOP implemented to obtain approval from enterprise architect for all software purchased and to regularly identify and write off obsolete software	Implemented